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C O N F I D E N T I A L CARACAS 002405

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DEPT PASS TO AID/OTI RPORTER

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TAGS: [PGOV](#) [KDEM](#) [VE](#)  
SUBJECT: SUMATE ASKS FOR ASSISTANCE

REF: CARACAS 00339

Classified By: POLITICAL COUNSELOR ROBERT R. DOWNES FOR REASON 1.4 (D)

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Summary  
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11. (C) Action Request - Paragraph 7.

12. (C) Summary: Sumate continues to be under pressure, including threat of prosecution because of the USD 300,000 DRL grant. On August 4, Sumate board member Roberto Abdul asked poloff for a letter from the Department noting the return of the DRL funds. Embassy is seeking to support Sumate but is also concerned that this letter could be used against them. See para 8 for draft language for approval by the Department. End Summary.

13. (C) In mid-July the National Assembly (AN) launched a politically-inspired investigation into Sumate's plans to fund the now-canceled primary to choose an opposition candidate. AN Deputy Jose Albornoz, leader of the third largest ruling coalition party Patria Para Todos, announced the investigation July 11. He established a legislative committee to look into the charges July 13, but not before sending, along with AN deputy Ismael Garcia (head of second largest ruling coalition partner Podemos), a letter to the Attorney General calling for the immediate detention and investigation of Sumate's leaders for treason, conspiring against the National Electoral Council, and inciting criminal activity because they allegedly accepted foreign money to organize the primary to choose a unified opposition candidate. The foreign money referred to is primarily a USD 300,000 grant from DRL to review Venezuela's electoral registry, the receipt of which the Bolivarians also erroneously claim violated Venezuelan exchange laws. (Note: According to Venezuelan law, foreign currency must be exchanged by a bank or exchange house. In Sumate's case this was done.)

14. (C) The case is a political witchhunt rooted as much in Albornoz' desire to get Sumate, a persistent thorn in the BRV's side, as to advance his own political fortunes. (We hear Albornoz may be considered to replace Vice President Jose Vicente Rangel, should the old man step down as has been rumored for months.) The charges are based on BRV fabrications and unsubstantiated accusations. The committee has summoned records of Sumate's bank accounts, all transactions associated with those accounts, and accounting ledgers. They have interviewed the head of foreign exchange authority CADIVI, tax authority SENIAT, and bank presidents. Sumate lawyer Juan Martin Echeverria told PolCouns August 10 that the committee sent a letter late on August 9 requesting that the NGO respond to 29 questions by the morning of August 11. He noted each inquiry consisted of a question,

conclusion, then a request for proof of evidence.

¶15. (C) Echeverria said the committee's report will probably be finished and released August 14 or 15. Once complete, Echeverria expects the report will be given to the prosecutor's office to aid in the ongoing judicial investigation in response to Albornoz' petition. The criminal case is directed by a crony of Luisa Ortega, one of the more active BRV political prosecutors. (Note: Plaz and Machado are also the subject of Seniat investigations into their personal finances and those of the NGO.) Sumate has been complying with the AN "investigation," turning over copies of its accounting records to the committee and releasing them to the public. On July 14, Sumate, following their lawyers' advice, also returned the DRL funds they had received to conduct the review of the electoral registry. Echeverria told PolCouns Sumate is concerned, however, that the information they submitted will be used against them to help the government's persecution efforts, as has occurred in the stalled case against the NGO for receiving NED funds in 2003 (ref a).

¶16. (C) On August 4, Abdul asked poloff if the Department could give Sumate a letter noting return of the DRL funds and cancellation of the grant. Echeverria told us a short letter would be useful as it would combat the public impression the government is trying to give that Sumate diverted the grant money. Embassy is seeking to be supportive of Sumate, which has not violated Venezuelan law in connection with this DRL grant. We are concerned, however, that the BRV would use the letter as an additional tool to hammer Sumate.

¶17. (C) ACTION REQUEST: The Sumate grant was disbursed by DRL using the Department of Health and Human Resources Payment Management System. Although we understand the possible implications the case could have for future USAID/OTI projects, post has concluded that Sumate is the best judge of what ammunition it needs to defend itself, and so support the idea of a letter. Below is draft language for Washington's approval. We presume it would be signed by DRL or WHA.

¶18. (C) Begin letter:

I refer to the grant #S-LMAQM-05-GR-160 provided through the Department of Health and Human Services Payment Management System to the civil society organization Sumate for a study of the Venezuelan electoral registry. The Department of State acknowledges the July 14, 2006 return to the Department by Sumate of the 643,380,000.00 Bolivars provided through the Department of Health and Human Services for this grant.

End letter.

WHITAKER